GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6051
ANSWERED ON:03.05.2013
BLACKLISTED INSURANCE COMPANIES
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Will the Minister of FINANCE be pleased to state:

(a) whether any insurance companies have been blacklisted in the country in the recent past;

(b) if so, the details thereof and the reasons therefor, State/UT-wise and company-wise;

(c) whether any cases of delaying the process of settlement of claims by public and private sector insurance companies have come to the notice of the Government during each of the last three years and the current year;

(d) if so, the details thereof, State/ UT-wise; and

(e) the steps taken by the Government to protect the interest of the customers in this regard?

Answer

Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) and (b): The Insurance Regulatory and Development Authority (IRDA) has informed that it has not blacklisted any insurance company. The functions of the Authority include issuance of certificate of registration, renew, modify, withdraw, suspend or cancellation of registration. So far, IRDA has not withdrawn, suspended or cancelled registration of any insurance company.

(c) to (e): IRDA has further informed that it receives 'claim related' complaints from policyholders against various insurance companies which not only include delay in disposal of claims cases, but also disputes in quantum, repudiation etc. The details of number of claim related complaints received by IRDA for both public and private sector insurance companies, for the last three years are as under:-

Year	Life Industry	Non-Life Industry
2010-11	24516	35192
2011-12	31210	31090
2012-13	43178	30045

Since Integrated Grievance Management System(IGMS) (a repository of industry complaints) was introduced from the financial year 2011-12, details of State-wise complaints pertaining to delay in disposal of claims reported for Life Insurance Industry and Non Life Insurance Industry are available for the financial year 2011-12 and 2012-13 only, which are as per Annex.

IRDA has put in place IRDA (Protection of Policyholders Interests) Regulations, 2002 which prescribe the time frame for disposal of claims, appointment of surveyors and transparency in the decision of the insurer on the claim. IRDA periodically carries out inspection of insurance companies which includes examination of claims disposed off by insurers and takes penal action wherever required.